



Primary Sector

Discussion Document

Contents

Introduction from the Leader	2
Introduction from National's Primary Sector spokesperson	4
Biosecurity and Food Safety	5
Climate Change	8
Education and Workforce	10
Landcorp	12
Research, Science and Innovation	13
Rural Communities	15
Trade	18
Water Storage	20
Key Primary Sectors	21
Dairy	21
Sheep and Beef	22
Forestry	23
Fisheries and Aquaculture	25
Horticulture	26
Racing	28
Questions and feedback	29



Introduction from National Party Leader Simon Bridges

We're lucky in New Zealand to have an efficient, profitable and productive primary sector as the backbone of our economy. I know from my time as Minister for Economic Development just how important the primary sector is to our financial wellbeing, and that our engine room needs to be looked after for us to prosper as a nation. National is proud to hold all the rural seats in New Zealand with the exception of one, and is committed to supporting our rural communities with sensible, well-informed policy.

The current Coalition Government didn't do the hard yards when in Opposition and its answer to governing appears to be setting up over 260 working groups rather than implementing policy that will support New Zealanders. That's why National is working hard to gather feedback that will inform our policy over the coming years.

Last year we launched the 'Have Your Say' brochures, targeted at various sectors in New Zealand. We had great feedback to our Rural New Zealand survey and have used that as the

basis of this document. This will be the third in our line of discussion documents released this year after our Environment document and International Affairs document, both of which are already receiving great feedback.

We realise farmers are worried about what is coming down the pipeline from this Government. We've seen primary sector business confidence plummet on the back of this Government's policies and the uncertainty about what could be around the corner. Employment law reforms, climate change and environmental regulations, and the transformation of good pastoral farmland being swallowed up by the One Billion Trees programme.

Farmers and growers are constantly looking for ways to improve and National is committed to supporting ongoing innovation.

We want primary producers keeping more of what they earn, rather than being penalised with more taxes or excessive regulation.

National proudly backs our farmers and growers who are the engine room of New Zealand's economy, generating nearly \$45b in exports and providing 350,000 jobs. National holds every rural seat in Parliament except one, and we're proud to represent rural New Zealand.

National welcomes your feedback on these ideas as we put together a forward-looking plan for the 2020s and beyond.



Simon Bridges
National Party Leader
Leader of the Opposition



Back row: Tim van de Molen, Lawrence Yule, Ian McKelvie, Matt King, David Bennett, Matt Doocey.

Middle row: Hamish Walker, Sarah Dowie, Parmjeet Parmar, Simon Bridges, Nathan Guy, Todd Muller, Harete Hipango, Scott Simpson.

Front row: Jacqui Dean, Barbara Kuriger, Amy Adams, Louise Upston, Maureen Pugh.

Travelling: Stuart Smith.



Introduction from Nathan Guy

National's Agriculture Spokesperson

I proudly backed our farmers and growers as the previous Minister for Primary Industries for nearly five years and I continue to back them, as they are the engine room of the New Zealand economy. As a farmer I am proud of the growth and progress we achieved and am passionate about the future potential of the sector.

New Zealand has natural resources that position us as efficient and sustainable producers of food and fibre products. Our hard working innovative farmers are world leading. Demand for our products is set to grow and our policies are about allowing New Zealand to make the most of these opportunities.

Farmer confidence has plummeted with the Coalition Government's muddled policies. Its attempt at a Capital Gains Tax, unrealistic agricultural emissions target, contradictory immigration policies and poorly planned One Billion Tree programme have created unnecessary uncertainty. The worst aspect of this Government's programme is its additional taxes like on fuel and excessive regulation in areas like employment law.

I have the privilege of coordinating a very talented rural team of National MPs who have helped shape this discussion document. Because we hold nearly every rural seat we're proud to represent rural New Zealand.

I'm incredibly passionate about our primary sector and acknowledge all the amazing people that help produce quality food products that feed 40 million international consumers.

Nathan Guy
National's Agriculture Spokesperson

Enjoy reading this document that is designed to stimulate discussion and feedback. We want to ensure that we are match fit, and are ready to progress positive reform should we be given the opportunity to govern.

A handwritten signature of Nathan Guy in blue ink, featuring a stylized 'N' and 'G'.

Nathan Guy
Spokesperson for Agriculture,
Biosecurity and Food Safety





Biosecurity & Food Safety

"Biosecurity incursions are becoming too frequent—we need tougher laws, smarter technology and more investment at our borders. This is about protecting the engine room of the economy as well as our unique environment."

Nathan Guy

Spokesperson for Biosecurity

There is constant pressure on our biosecurity system with 5.5 million passengers arriving every year, a growing number of imports (parcels and cargo), and a warming climate which makes it more difficult to eradicate pests once they arrive in New Zealand.

National believes in an evidence based approach backed by solid science. This will help develop innovative tools to provide more options at the border. Every person in New Zealand has a significant part to play in our biosecurity system, and everyone benefits from it.

The National Government produced the Biosecurity 2025 partnership which is enduring and focuses on a biosecurity team of 4.7 million

people, a toolbox for tomorrow, smart free-flowing information, effective leadership and tomorrow's skills and assets.

Partnering with Industry

It is unfair for the cost of biosecurity to be met entirely by farmers and growers when the risk primarily comes from tourists and imported goods.

National believes in a fair approach to cost sharing as illustrated by the Government Industry Agreements (GIA) that we introduced while in office.

We are concerned the Coalition Government is actively considering overriding these

agreements with an EQC type biosecurity levy. This will mean farmers and groups are levied twice which is completely unfair.

GIAs allow primary sectors to partner with the Government on preparedness and responses. There are about 20 signatories and they provide the long term framework for managing these biosecurity risks.

National began a review of the National Animal Identification and Tracing Act (NAIT) and we support changes that need to be made to ensure NAIT is fit for purpose. It is going to take a coordinated effort by farmers, truckies, stock agents, processors and Government to ensure NAIT delivers biosecurity and tracing outcomes we can all rely on.

Mycoplasma Bovis

National supports the phased eradication of M. Bovis but is concerned about the emotional toll this is taking on those affected.

Despite Ministry for Primary Industries (MPI) doing a thorough investigation into how M. Bovis arrived in New Zealand, it's never been able to pinpoint how it got here, and we may never know.

The Government's M. Bovis response has been found wanting. The key problems that need addressing are poor communication and slow compensation payments. The key to the success of the eradication programme is Government working closely with industry and farmers. We need to be particularly responsive to not just the financial aspects, but also the social support that affected farmers need.

We want your thoughts on the following:

- How can the Government improve on its response to those effected by Mycoplasma Bovis?
- Do you think it's fair that GIA partners have to pay twice with the Government actively working on an EQC type Biosecurity levy?
- How can we get international visitors and New Zealanders to better appreciate the importance of our Biosecurity? Can we strengthen airline information to passengers with warning videos?

Increasing Trade and Travel

Volume change by per cent 2008 - 2018



+137%
Mail Parcels



+55%
Sea Containers



+35%
Air Passengers

Source: Answers to written Parliamentary questions.

- National proposes MPI border officials having the same powers as Immigration officials to deport any visitor if they have knowingly concealed biosecurity risk items.
- National proposes importers should be liable to be fined for knowingly signing false documents (import health statements) that contain biosecurity risk material.
- National proposes increasing infringements from \$400 per person to \$1000 if a passenger has brought in a biosecurity risk item.

**The stink bug
could cost
New Zealand's
economy up to**

\$3.6B

Source NZIER Report, February 2018

Food Safety

New Zealand produces enough food to feed 40 million people. We export to around 140 countries and have a strong reputation as a safe producer of food.

Our laws and regulations were strengthened under the last National Government to help protect domestic and international consumers.

Last year we saw a spate of dangerous food contamination offences throughout Australia & New Zealand where offenders were contaminating strawberries with needles. These were seen as pranks by those offending but were incredibly dangerous to the public. The media coverage surrounding these acts led to more than 100 copycat offences across the Tasman.

The Australian Government acted fast and passed legislation to increase the deterrents on those offending only eight days after the initial case became public. The Coalition Government here has ignored calls to toughen the law.

National currently has a Member's Bill in the ballot with the aim of strengthening penalties on those who tamper with food.

We want your thoughts on the following:

- Do you think New Zealand laws are tough enough to help avoid food tampering?
- Should individuals be criminalised for up to 10 years for making hoax statements about food tampering?
- Should individuals be criminalised for up to 10 years for threatening or intentionally contaminating food?



Climate Change

"Our agricultural sector is one of the most emissions efficient in the world. We make our greatest contribution to this global challenge by leading in technological development of more sustainable farming rather than cutting our stock numbers and production."

Todd Muller

Spokesperson for Climate Change

National is proud to have signed New Zealand up to the Paris Agreement in 2015. This ambitious international agreement requires us to restructure our domestic economy to significantly reduce greenhouse gas emissions by the second half of the century without threatening food production. We stand by that ambition.

We have five principles to guide New Zealand in moving to a low carbon economy, ensuring environmental protection and economic growth go hand in hand. These principles inform our policy development process.

Science-based: New Zealand's targets must be based on the best available science that

assesses the three key greenhouse gases and their impacts independently.

Technologically driven: We achieve emissions reductions by adopting new technologies rather than reducing sector activity.

Long-term incentives: Financial signals will place incentives on business, consumers, and entrepreneurs who will lead this change.

Global response: New Zealand's response is on pace with our global trading partners.

Economic impact: We'll seek to minimise economic impacts, in particular actions that place an undue burden on single regions.

HAVE YOUR SAY > 2019 DISCUSS

The weakness of the Coalition Government on climate change is its blind opposition to the development of biotechnology and its lack of a global perspective of New Zealand's food production. We worry fiscal pressures rather than climate change policies will drive them to impose additional cost on farmers.

National sees the opportunity for our technology and innovation to assist other countries in reducing their environmental impact and sharing the climate benefit. We need to be open to the positive contribution biotechnology can make to reduce agriculture admissions. We favour sector wide farm management plans. We need to deliver on the changes to Overseer to improve its accuracy and use as a mitigation tool.

The decisions on the right policy tool such as an Emissions Trading Scheme (ETS) to incentivise change needs to be made after the technologies have been shown to be practical and affordable.

Climate Commission

The Government has recently announced the details of the Zero Carbon Bill. We are broadly comfortable with the commission's design and the adoption of a split gas approach but have serious concerns with the proposed methane target of 24-47 per cent reduction by 2050.

This target is not in keeping with the scientific advice that had been provided by the Parliamentary Commissioner for the Environment, who suggested a 10-22 per cent reduction by 2050 to avoid additional warming from methane. The Government has said that scientific advice on this is unclear. In our view it is exactly the sort of decision the newly formed scientific Climate Commission should provide advice on, rather than politicians cherry picking numbers.

- National proposes opposing agriculture coming into the ETS until there are practical technologies available for farmers to reduce emissions.
- National proposes supporting the Climate Change Commission to ensure stronger analysis and science in the development of climate change policy.
- National proposes expanding the scientific effort and international linkages such as the Global Research Alliance to develop the tools needed to tackle climate change.

We want your thoughts on the following:

- How do we best incentivise on-farm change once measurement and mitigation tools are available?
- What additional tools do farmers need to adapt to climate change?



Education and Workforce

"Agricultural education is immensely important to the sustainability and future of the primary sector in New Zealand. It is a critical pathway for employment."

Barbara Kuriger

MP for Taranaki – King Country

The promotion of careers in the primary sector is vital for the continuation of the industry. Agricultural education is the gateway. Currently there appears to be a shortage of pathways or even awareness of what is available. It's important young New Zealanders see agriculture as a viable career and are aware of how to access training.

National understands the challenges of creating and retaining an attractive and world leading primary sector for young New Zealanders.

We see opportunities in securing the future of farming in New Zealand through marketing agricultural education to future generations and to the world. We support vocational education in agriculture related studies and believe that this is vital to looking after our rural communities across New Zealand.

On 20 December 2018 the Government announced the closure of the significant agricultural tertiary institution Taratahi due to a lack of funding. This was a massive disappointment as Taratahi was the primary sector's leading vocational training establishment.

It will have far reaching effects on the industry. A lack of skills coming through will add to the employee shortages in the sector. National proposes to increase vocational training opportunities in the primary sector.

Rural schools need more government support. These schools are community hubs that help maintain the social fabric of country life. We oppose the statements in the Tomorrows Schools report which could see a blanket closure or merger of a number of small schools.

HAVE YOUR SAY > 2019 DISCUSS

Primary Sector Visas

With a fast growing primary sector meeting world food demands, it's imperative we have the workforce to manage, develop and maintain New Zealand's agricultural and horticultural businesses. Migrant populations have shown an ability to excel in our primary sector. New Zealand benefits from their contribution. They benefit from the opportunity to grow their skills and support their families.

There could be an opportunity to create a new visa for the industry. The Primary Sector Visa (PSV) for example could be an avenue for skilled and experienced migrants to help get residence and build their futures here.

Recognised Seasonal Employer (RSE) Scheme

The RSE scheme benefits New Zealand and the Pacific countries with additional income. Workers and their families benefit from getting ahead. We gain with additional jobs – for instance in the wine industry for every 2.5 RSE workers, 1 full-time job is created in New Zealand.

We recognise the increased demand for places under the scheme. We will expand the scheme subject to maximising Kiwi jobs and employers maintaining high standards.

Extending Working Holiday Visa's

We have a number of working holiday visa schemes including many with South American countries. These schemes are an opportunity to broaden the primary sector workforce base and for these countries to benefit from students returning with greater agriculture skills and knowledge. There has been a significant reduction in the number of workers on working holiday visas. There is an opportunity to increase the caps and extend to Central and Eastern Europe.

- National proposes promoting careers in the primary sector and ensuring that the Education Sector promotes careers in the primary industries.
- National proposes to increase vocational training opportunities in the primary sector.
- National proposes a separate Agriculture Visa, like the Primary Sector Visa.
- National proposes expanding the Regional Seasonal Employer (RSE) scheme to the level needed to satisfy demand.

We want your thoughts on the following:

- What extra steps can the Government take to make primary industries an attractive career choice?
- Should the RSE scheme be expanded to allow African and American continents to apply?
- Should the RSE scheme be extended to a nine month placement, such as specific dairy farming placements?
- How can we make Immigration NZ more responsive and accessible to employers facing labour shortages?



Landcorp

"Giving young Kiwi farmers the opportunity to lease Landcorp farms will lift overall productivity and help support them into farm ownership."

Nathan Guy

Spokesperson for Agriculture

Landcorp's recent submission to the Tax Working Group where they supported a water and fertiliser tax and were not opposed to a Capital Gains Tax showed how out of touch it has become from mainstream farmers.

Its total assets are worth \$1.8 billion comprising of 84 farms that are owned and 42 that are leased or in a type of joint venture.

Most taxpayers don't realise they are New Zealand's biggest farmer comprising the equivalent of six Lake Taupo's in area.

Landcorp struggles to return a dividend to the Crown and we think they need to be re-evaluated. Some will remain as lease farms so young farmers can build up equity and progress into farm ownership. Some farms are subject to Treaty claims and these will be honoured.

- National proposes a policy of giving young New Zealand farmers the opportunity to lease to own some of these farms.

We want your thoughts on the following:

- Should Landcorp properties be used as a stepping stone to help build the next generation of farmers?

HAVE YOUR SAY > 2019 DISCUSS



Research, Science and Innovation

"Science and innovation are so important to New Zealand's primary industries and environmental challenges that we cannot let them be held back by last century's very restrictive rules on biotechnology."

Parmjeet Parmar

Spokesperson for Research, Science and Innovation

The success of New Zealand's primary industries depends on us leading in science and innovation. It is critical to productivity, environmental sustainability and food safety. We need to invest sufficiently in research and development (R&D) to keep our primary sectors internationally competitive.

Our science funding system needs to minimise the time and cost involved in bidding and administering public science funds while ensuring good value for money. We want scientists partnering with industry and working closely with primary producers.

We are proud of the primary growth partnerships we established in Government and this is reinforced by the recent positive review.

A key issue for the future is how Government can best maximise private sector R&D investment. We are concerned the Government's tax credit system will benefit accountants more than scientists.

Biotechnology

National believes R&D and adoption of new technologies including in the field of biotechnology is going to be key to helping agriculture reduce its greenhouse gas emissions.

Our global success in the primary industry has depended on being leaders in the biological sciences and we must ensure this continues into the future.

AgResearch's High Metabolisable Energy ryegrass is not only resistant to drought but can help produce up to 23 per cent less methane from livestock, lower urinary nitrate leaching and lower emissions of another greenhouse gas, nitrous oxide. However, due to prohibitive rules around genetic modification trials in New Zealand, the AgResearch team has taken its research to America to trial.

The problem that needs addressing is that New Zealand's law and regulation on biotechnology is now 20 years old. Gene technologies have changed rapidly and become much more precise. The risks are less and better understood making the current approach too restrictive.

- National proposes updating New Zealand's restrictions on the use of biotechnologies in consultation with New Zealanders to bring them into line with the latest science.
- National proposes a new Biotechnology and Innovation Fund to assist in the development of biotechnology, precision agriculture and other innovations in the primary sector.

Biotechnology to achieve TB Free status

National proposes to consider biotechnology to help New Zealand achieve bovine tuberculosis (TB) free status by 2055. Our economy relies hugely on our ability to produce disease free agricultural products.

Given there are no natural predators for possums, we have to rely on effective management tools to keep their population under control like trapping, 1080 and culling.

Management of possums will require the development of more technological tools which should not just be limited to the development of new chemical alternatives to 1080 or trapping technologies.

An alternative option utilising biotechnology to produce sterile possums could result in a much reduced effort and cost in the long run than the current approach.

Enabling digital agriculture

Digital technologies are offering new opportunities to increase productivity, improve quality and reduce environmental impacts. New Zealand is playing an active role in these developments.

Precision agriculture is being applied on some farms but the uptake is low. There are also developments in applying artificial intelligence, robotics and drones to agriculture, horticulture and forestry.

The question for the Government is how best to support these innovations. We were very active last decade expanding access to mobile phone and internet services in rural areas. These are still being rolled out but there is more to do. The proposed new Biotechnology and Innovation Fund is intended to support the development of these technologies.

We want your thoughts on the following:

- How best can the Government partner with primary industries to drive innovation? Is it best through funding grants or R&D tax credits?
- What are the challenges in applying new technologies to your specific area of interest?



Clutha Southland MP and Associate Agriculture Spokesperson Hamish Walker has been a strong voice advocating to keep the Lumsden Maternity Hospital open. He is pictured with Carrie Adams Northern Southland Health Trust Chair and Sarah Stokes Southland Midwife.

Rural Communities

"We strive for rural communities to have the same quality of services in health, education and police as other New Zealanders."

Matt King

Spokesperson for Rural Communities

Rural Health

More than 600,000 New Zealanders live in rural communities. It's vital that core services meet their needs. Healthcare is one of the most critical needs. While everyone in rural NZ accepts they can't live next to a hospital, they still need access to services like screenings, clinics and midwives.

Recently Lumsden lost its maternity service as a result of Government funding cuts. This was a vital service in an isolated part of New Zealand. This downgraded service in May has resulted in a mother giving birth in an ambulance on the side of the road. National will reinstate full maternity services at Lumsden Maternity Hospital.

Support organisations and Non-Government Organisations (NGOs) have long supported rural New Zealanders with access to critical wellbeing and healthcare needs. Without government funding and endorsement of their work, there is a risk that this good work will not continue.

The Coalition Government has reduced funding in this area which has affected NGOs such as Rural Health Alliance Aotearoa and the services it provides. It played a significant role in addressing rural mental wellbeing. We need to ensure the increased investment in mental health gets to our rural communities.

National wants to pilot a mobile health van serviced by a health practitioner that travels to remote rural communities on a regular basis. This will provide a 'warrant of fitness' health check for patients who may not be prepared to go and see their doctor in town. The service will also be important for those with mental health issues who can often feel isolated. We intend to seek some support from industry to partner with us.



- National proposes funding rural health organisations to be a strong advocate for rural health needs.
- National proposes piloting a Mobile Rural Health Clinic to help service isolated communities.
- National proposes improving our health workforce with training and resources to better meet the needs of rural communities.

Rural Connectivity

National has championed the rollout of Ultra Fast Broadband and better rural connectivity over the past ten years. From the advancement of 4 & 5G mobile technology, to the installation of Mobile Blackspot coverage in our tourism industry hubs, National has continually led New Zealand's economic future as a digital nation.

Rural Connectivity remains a challenge for rural New Zealand as these communities aim to keep up with the main population centres. Investment in core technology infrastructure is crucial for people moving to our rural areas not only from a health and safety perspective, but also an economic development one. Better connectivity in our rural communities will help our primary sector grow and connect us with the world.

Many rural areas are simply unable to be equipped with modern connectivity because of a lack of infrastructure. Continued investment in digital infrastructure is needed to ensure UFB and other connectivity options are available in rural New Zealand.

We want your thoughts on the following:

- What further areas of New Zealand need investment to improve digital connectivity?
- Would you make use of a mobile health van visiting your community supported by a health practitioner? If so for what sort of services?
- How can National help ensure the increased investment in mental health services is appropriate and accessible for rural communities?
- Are there other innovative ways primary healthcare services can be better delivered to rural communities?

Rural Policing

Rural people are especially vulnerable to crime due to the isolated areas many live in. They face the extra obstacles of poor cell phone coverage and hard to access areas. Rural policing staff have challenges that their city colleagues don't and they need to be adequately supported.

Police responsiveness and a lack of back up support is a big concern for rural communities, and many rural areas have experienced incidences of stock and rural theft. It is estimated that livestock theft has been costing farming communities around \$120 million a year.

National recognises these challenges and we set both short and long term service targets.

Ian McKelvie's stock rustling Bill was picked up by the Coalition Government and new offences have been added to the Crimes Act 1961 that mean:

- Theft of livestock or other animals carries a maximum penalty of 7 years imprisonment.
- Any unlawful entry to land used for agricultural purposes, where the offender intends to steal livestock or act unlawfully against specified things, such as buildings or machinery carries up to 10 years imprisonment.

We also set a target to have 95 per cent of New Zealanders living within 25km of a 24hr Police base by 2023. We are disappointed the Coalition Government has removed this target. We want police focused on creating safer communities through a preventative approach that targets areas with the highest risk.

We want your thoughts on the following:

- What other Police or Justice reforms would make rural communities safer?

RMA and Local Government

Water quality issues are managed by the Resource Management Act (RMA). This Act provides the framework by which Regional Councils develop policies including the many regional water quality policies impacting New Zealand farmers.

The Minister for the Environment is able to provide direction to Regional Councils through National Policy Statements on Freshwater Management for example.

National has committed to reforming the RMA. In many areas the RMA has become too unpredictable and inefficient. Large infrastructure projects can be bogged down in RMA processes for years and Environment Court decisions can be full of surprises. Farmers are having to spend large sums on consultants for resource applications to farm or irrigate.

There will always be debate on the appropriate balance between the environment and development.

National will amend the RMA with a focus on making it more predictable and efficient. Farmers deserve clear rules on the environment and should be able to focus on improving farm performance, not lengthy resource management applications.

We want your thoughts on the following:

- What specific areas of regulations should National be looking to reduce or repeal?
- What specific changes do rural communities need to the RMA?
- What changes are needed to Local Government to make it more responsive and efficient for rural communities?



Trade

"The agricultural sector is a significant part of our export profile and a big earner for the country. National has a proud and impressive record in fighting for improved trade opportunities for New Zealanders."

Todd McClay

Spokesperson for Foreign Affairs and Trade

We have a strong reputation for producing high quality and safe foods and our agriculture and horticulture industries are world leading. We are known for innovation and industry best practice. These are assets for all New Zealanders and must be maintained and enhanced.

Protectionism

Agricultural trade remains the most protected of any sector internationally. This harms our agriculture producers and limits our ability to meet true export potential. New Zealand exporters face high tariff rates, prohibitive non-tariff barriers and quota restrictions in many of the world's most lucrative food markets. Through trade agreements like the Closer Economic Relations Agreement with Australia (CER), the

Trans-Pacific Strategic Economic Partnership (P4), the CPTPP and the NZ-China FTA we have reduced these inequalities significantly. There is more to do. New Zealand agri-exporters don't receive fair treatment into the EU, US, India and many other nations. Brexit also poses trade risks. This puts our agricultural businesses at a significant disadvantage globally.

New Opportunities

Our trading relationships are important for securing markets for our exporters, creating jobs for New Zealand and ensuring that our economy is robust and can weather international shocks.

National believes we should be pursuing a range of trade deals.

Currently New Zealand is negotiating:

The Regional Comprehensive Economic Partnership (Southeast Asia, Australia, China, India, Korea, and Japan); the Pacific Alliance (Chile, Colombia, Mexico, and Peru); the European Union, United Kingdom; India; Gulf States; upgrade with China.

We believe there are also opportunities with the United States of America and have already proposed we will aggressively pursue a FTA with them. Other countries include Argentina, Brazil, Paraguay, Uruguay, South Africa and Nigeria.

- National proposes to seek a free trade agreement with the United States as a core priority of New Zealand's Trade Agenda.
- National proposes to commit to doubling our two way trade with China from \$30 billion to \$60 billion over the next decade.

International Trade Missions led by Government Ministers

On average per year

3

Labour

9

National

National has always taken a strong stance to support free trade and help open doors for Kiwi businesses.

Source: Answer to Parliamentary Question, 17216, 2019.

We want your thoughts on the following:

- What trade opportunities should New Zealand be focusing on to support our rural sectors?
- What should our agri-trade priorities be for the next 10-20 years?
- How can New Zealand better build support for global trade rules?
- What reforms of the WTO would benefit New Zealand agriculture exporters?
- What are the opportunities and risks from Brexit and how can Government help manage these?

World Trade Organisation (WTO) and Agriculture

In Government National played an important role in the WTO decision to eliminate agriculture export subsidies at the Ministerial Meeting in Kenya. This was a big win for New Zealand exporters reducing unfair price competition and bringing greater scrutiny to agricultural support mechanisms that distort markets and lead to dumping of agricultural commodities on world markets.

The WTO must modernise and turn its attention to agriculture trade. It is pivotal for fairer and more balanced trade practices.



Water Storage

"Water storage can add significant economic benefits to the NZ economy while also buffering primary production against the impacts of climate change. Well designed schemes improve water quality and flood management."

Water storage can be used to enhance water quality, improve food security for our growing population, provide a reliable source of water for towns and cities and support economic activity.

We use only 2 per cent of the water that falls on New Zealand. We don't have a water shortage problem—it just doesn't fall in the right place and at the right time.

International evidence shows that water storage requires long term investment partners and in most countries such schemes are supported by federal or state equity or sponsorship. Crown Irrigation is the most recent structure in New Zealand which provides both expertise and funding assistance by grants and loans.

Improved infrastructure in both urban and rural New Zealand is critical to improving water management, yet has been excluded from the Coalition Government's funding.

- National proposes establishing a new Water Infrastructure Fund to assist city and rural councils to improve water quality, supporting more sustainable agriculture and resilience to climate change.
- National proposes adopting the Parliamentary Commissioner for the Environment's recommendations for the Overseer tool.



Dairy

National proudly backs our New Zealand dairy farmers unlike Shane Jones who said "If they're not milking cows or chasing cows, they're moaning."

- The Country Radio Show, 15 May 2019

Dairy farm returns look positive at around \$7/kg milk solids for this season. The industry generates about \$17 billion of exports and about half of this is spent in regional New Zealand.

Despite market volatility, our provenance story and grass fed attributes make our dairy products sought after by international consumers.

While we are aware debt in the Dairy Sector is close to \$42 billion, we remain very concerned about the Reserve Bank's proposed capital raise requirements on banks. This could end up negatively impacting on farming lending costs and will be felt in rural communities.

National believes we need a strong Fonterra as New Zealand's largest business while acknowledging the role smaller independent processors play. We also believe changes are needed through the Dairy Industry Restructuring

Act (DIRA) to open entry + exit provisions to allow the NZ dairy industry to remain competitive internationally.

National will firm up its views once we've seen the Government Bill and listened to submissions through the Select Committee process. Our focus will be on giving the industry certainty.

We want your thoughts on the following:

- What changes would you like to see made to DIRA?
- Have you noticed any change in lending requirements through your bank?



Sheep and Beef

National proudly backs sheep and beef farmers and believes in less tax unlike Damien O'Connor who says "Get used to increased costs on farming in New Zealand."

- Damien O'Connor, Minister of Agriculture, Rural News, 21 August 2018

The red meat sector has been experiencing strong demand and pricing, and generates \$9.5 billion in export revenue. This has been partly fuelled by the impact of African swine fever which is spreading into Asian markets. This is driving more consumption of red meat protein compared to pork.

The National Government was a strong supporter of the red meat sector through Primary Growth Partnership funding which has been cut recently.

While demand for meat substitutes is growing its an opportune time for New Zealand processors to attract a premium with our provenance story and grass fed attributes. The "Taste Pure Nature" campaign of Beef and Lamb is a positive start.

Crossbreed wool returns have remained lower for longer despite National supporting the

sector through PGP. Demand in China is volatile because of cheaper synthetic fibres. We await the Wool Working Groups findings with interest.

Hill country farmers are concerned about the One Billion Tree Programme and its impact on rural communities. The arbitrary target is overriding best land use resulting in trees being planted in the wrong place. Government needs to be cautious of subsidising forest plantings and skewing the overseas investment rules against pastoral farming.

We want your thoughts on the following:

- What would you like to see happen to the wool industry to lift farmer returns?

HAVE YOUR SAY > 2019 DISCUSS



Forestry

"National is ambitious to grow the export earnings, job potential and environmental benefits from forestry. Our focus will be on a sound commercial and environmental approach to the industry."

Alastair Scott

Spokesperson for Forestry

Forestry contributed \$6.4 billion to our economy in export earnings last year. The industry currently employs more than 26,000 people across the country. National is committed to supporting a robust commercial forestry industry, strong logging and local wood processing industries.

Total log productions have been increasing steadily over the past ten years. MPI figures show that strong log growth volumes will increase another 7 per cent this year to culminate in a revenue of \$6.8 billion for 2019.

The increase in Chinese building activity and the expectation that China will further increase its spending on infrastructure will see the majority of the increased harvest being exported there. However, new growing markets such as

Indonesia and Malaysia add further long term opportunities for our export industry.

National realises New Zealand forestry cannot be complacent in the face of global trade issues such as the China and US trade tariff impasse. The focus must always remain on securing and strengthening log export markets and further developing the export and domestic markets for sawn timber, pulp, paper, panels and other forestry products.

Both indigenous and exotic forest plantations play an important role in erosion control, managing our water quality, enhancing biodiversity and carbon sequestration.

The industry is well coordinated and works tirelessly to improve management and stewardship practices, ensuring our forests will continue to be sustainable influencers of our natural environment.

One Billion Trees Programme

National adopts a science-based approach to decision-making, assessment and planning regarding tree planting across the country. The right tree, in the right place, for the right purpose.

Unrealistic tree planting targets are not in the best interest of our long term prosperity. The mismanagement and poor execution of the Government's One Billion Tree Programme is a significant long term financial and environmental risk for regional New Zealand.

The number of new trees needed in New Zealand to deliver the right balance between our climate change goals and agricultural needs should be based on scientific assessment, not the desire to create an election headline.

Forestry has an integral role to play within the ETS and New Zealand's goal to transition to a lower carbon economy. It is critical we give clear direction to our businesses, investors and foresters. These are long term policy decisions that we need to get right.

National recognises that continuing scientific advances, changing public expectations and new market circumstances will constantly shape decisions around appropriate land use. Striking the balance between environmental, community and financial outcomes is at the heart of our policy decisions.

- National proposes focusing on getting the right tree in the right place rather than arbitrary targets set for political purposes.
- National proposes more research into the development of new and innovative forestry products particularly for seismic design in the construction sector.
- National proposes supporting added value processing in NZ by ensuring our energy policy, industrial law and broader economic policies make us internationally competitive in wood processing.

We want your thoughts on the following:

- Are rural communities seeing Government subsidised plantings on inappropriate land?
- What Government policies are undermining the economics of adding value to wood processing here in New Zealand?
- How can the Government support both the public and private sector make greater use of NZ timber products in residential, commercial and industrial buildings?



Fisheries and Aquaculture

"National wants a strong and sustainable fishing industry with more jobs and exports. Aquaculture is a key priority for growth."

Ian McKelvie

Spokesperson for Fisheries

New Zealand is proudly one of the best performing fishing nations in the world. We have the ninth largest exclusive fishing zone in the world and the tenth longest coastline of any country. We export our seafood to more than a hundred countries.

Seafood export earnings are around \$1.9 billion this year. Our wild fisheries generate approximately \$1.375 billion in export value and employ almost 8000 people.

National supports the use of digital monitoring for tracking and reporting fish catches. These tools, combined with on-board cameras will help manage the sustainability of our fish stocks in to the future.

Aquaculture has huge potential for growth. Government inaction on decisions like the

salmon farm switch in Marlborough Sounds is costing jobs and exports and needs urgent resolution. New Zealand needs a far more efficient process for allocating marine space, National will develop this alongside our RMA reforms. We want to give existing marine farmers of species like mussels and oysters greater security of tenure and develop the potential of new species.

Recreational fishing involves more than 700,000 New Zealanders and they spend over \$1.5 billion annually on equipment and boats. Being able to catch a fish is part of what it is to be a Kiwi. We want to ensure fish stocks are well managed so families can continue to catch a feed.



Horticulture

"Horticulture is a stunning story of Kiwi success but has even greater potential. National will back the industry with support for water storage and RSE labour so this potential can be realised."

Lawrence Yule
Spokesperson for Horticulture

Horticulture will play an expanded role in New Zealand's future. The value of horticulture exports including wine have grown from \$1.7 billion in 2000 to \$5.4 billion in 2018.

Our unique combination of soils, temperate climate and smart technology puts many of our products in premium international markets. The industry is under constant threat by biosecurity and disease risks despite our island nation.

Horticulture production systems have a low carbon and low emission profile that has significant employment offerings and a small environment footprint.

There are also challenges in securing enough labour, water availability, urban encroachment and import health standards for bud wood.

We want your thoughts on the following:

- Should high quality growing soils have special protection under the RMA to prioritise food production over urban expansion?
- What international markets should NZTE focus on to grow horticultural exports?
- How can the export certification process be made more efficient?

HAVE YOUR SAY > 2019 DISCUSS

Viticulture

"We will work with the wine industry to continue its stunning growth and build its brand for excellence and sustainability."

Stuart Smith

Spokesperson for Viticulture

The wine industry experienced its 23rd consecutive year of growth in 2018, providing \$1.7 billion in exports. The sector now contributes over 20,000 jobs, and wine tourism is attracting a growing number of high-value tourists to our regions who spend around \$3.8 billion a year.

The industry has a real focus on sustainability. Winegrowers across New Zealand have shown they use water and nutrients conservatively. As growers transition to a low emissions environment, the industry needs to remain a world leader in a highly competitive environment.

Arable

"The arable sector is important to Canterbury and New Zealand. We will work alongside growers to ensure they have access to the tools they need to remain competitive."

Andrew Falloon

MP for Rangitata

Each year 2,700 farmers have sales of around \$1 billion. They continue to pick up new technologies and adapt with the assistance of Foundation Arable Research (FAR). New Zealand growers produce some of the most sought after seeds in the world producing over 50 per cent of the world's carrots, radish and beet seeds.

Access to water, getting Overseer upgraded, nutrient limits, and biosecurity are top of mind for growers.





Racing

"New Zealand is a wonderful environment for breeding horses and without a viable racing sector the industry will suffer."

Ian McKelvie

Spokesperson for Racing

The racing industry in New Zealand plays a significant role in our economy and the wellbeing of our community. It employs 19,000 people either full or part time and returns \$1.6 billion to the NZ economy. New Zealand's pasture based farming sector and our climate makes us one of the three best places in the world to breed horses along with Ireland and Kentucky.

Currently the racing industry in New Zealand is facing some very serious challenges as betting figures drop, the foal drop is decreasing annually and stakes are not increasing at a rate that encourages investment into the industry.

We introduced the Racing Amendment Act toward the end of our time in Government and took it through its first reading before the 2017 election. Disappointingly Winston Peters has

only recently introduced the Racing Reform Bill to Parliament. This delay has cost the industry an estimated \$15 million in lost revenue.

National has supported the Racing Reform Bill to Select Committee but we remain concerned about some aspects of the Bill. We remain committed to those provisions that ensure the racing industry gets a fair return on international betting.

We want your thoughts on the following:

- What new ways could National support the racing and breeding industry?

HAVE YOUR SAY > 2019 DISCUSS

Feedback

National's vision

Please fill out the below (feel free to add any additional comments) and post them to:

FREEPOST PARLIAMENT
Hon Nathan Guy
Parliament Buildings
Wellington

Post to Parliament is free so you don't need to add a stamp. You can also visit national.org.nz for an online version.

Biosecurity & Food Safety

Agree Disagree

1. National proposes MPI border officials having the same powers as Immigration officials to deport any visitor if they have knowingly concealed biosecurity risk items.

☐
☐

2. National proposes importers should be liable to be fined for knowingly signing false documents (import health statements) that contain biosecurity risk material.

☐
☐

3. National proposes increasing infringements from \$400 per person to \$1000 if a passenger has brought in a biosecurity risk item.

☐
☐

- How can the Government improve on its response to those effected by Mycoplasma Bovis?
- Should individuals be criminalised for up to 10 years for making hoax statements about food tampering?

Climate Change

4. National proposes opposing agriculture coming into the ETS until there are practical technologies available for farmers to reduce emissions.

☐
☐

5. National proposes supporting the Climate Change Commission to ensure stronger analysis and science in the development of climate change policy.

☐
☐

Climate Change

Agree

Disagree

6. National proposes expanding the scientific effort and international linkages such as the Global Research Alliance to develop the tools needed to tackle climate change.

☐☐

- What additional tools do farmers need to adapt to climate change?

Education and Workforce

7. National proposes promoting careers in the primary sector and ensuring that the education sector promotes careers in the primary industries.

☐☐

8. National proposes to increase vocational training opportunities in the primary sector.

☐☐

9. National proposes a separate Agriculture Visa, like the Primary Sector Visa.

☐☐

10. National proposes expanding the Regional Seasonal Employer (RSE) scheme to the level needed to satisfy demand.

☐☐

- What extra steps can the Government take to make primary industries an attractive career choice?

Landcorp

11. National proposes a policy of giving young New Zealand farmers the opportunity to lease to own some of these farms.

☐☐

- Should Landcorp properties be used as a stepping stone to help build the next generation of farmers?

Research, Science and Innovation

12. National proposes updating New Zealand's restrictions on the use of biotechnologies in consultation with New Zealanders to bring them into line with the latest science.

☐☐

Research, Science and Innovation

Agree

Disagree

13. National proposes a new Biotechnology and Innovation Fund to assist in the development of biotechnology, precision agriculture and other innovations in the primary sector.

☐☐

- How best can the Government partner with primary industries to drive innovation? Is it best through funding grants or R&D tax credits?

Rural Communities

14. National proposes funding rural health organisations to be a strong advocate for rural health needs.

☐☐

15. National proposes piloting a Mobile Rural Health Clinic to help service isolated communities.

☐☐

16. National proposes improving our health workforce with training and resources to better meet the needs of rural communities.

☐☐

- Would you make use of a mobile health van visiting your community supported by a health practitioner? If so for what sort of services?
- Are there other innovative ways primary healthcare services can be better delivered to rural communities?
- What other Police or Justice reforms would make rural communities safer?
- What changes are needed to Local Government to make it more responsive and efficient for rural communities?

Trade

17. National proposes to seek a free trade agreement with the United States as a core priority of NZ's trade agenda.

☐☐

18. National proposes to commit to doubling our two way trade with China from \$30 billion to \$60 billion over the next decade.

☐☐

- What trade opportunities should New Zealand be focusing on to support our rural sectors?

Water storage

Agree

Disagree

19. National proposes establishing a new Water Infrastructure Fund to assist city and rural councils to improve water quality, supporting more sustainable agriculture and resilience to climate change.

☐☐

20. National proposes adopting the Parliamentary Commissioner for the Environment's recommendations for the Overseer tool.

☐☐

Dairy

- What changes would you like to see made to DIRA?

Sheep and Beef

- What would you like to see happen to the wool industry to lift farmer returns?

Forestry

21. National proposes focusing on getting the right tree in the right place rather than arbitrary targets set for political purposes.

☐☐

22. National proposes more research into the development of new and innovative forestry products particularly for seismic design in the construction sector.

☐☐

23. National proposes supporting added value processing in NZ by ensuring our energy policy, industrial law and broader economic policies make us internationally competitive in wood processing.

☐☐

- Are rural communities seeing Government subsidised plantings on inappropriate land?

Horticulture

- Should high quality growing soils have special protection under the RMA to prioritise food production over urban expansion?

Racing

- What new ways could National support the racing and breeding industry?



Printed on 100% recycled paper

Funded by the Parliamentary Service. Authorised by S Bridges, Parliament Buildings, Wellington.